

EXHIBIT B PROCEDURES AND REQUIREMENTS

USED OIL COMPETITIVE GRANT PROGRAM UOC2 Cycle – Fiscal Year 2015–16

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

INTRODUCTION

The Used Oil Competitive Grant Program is administered through the Department of Resources Recycling and Recovery (CalRecycle). These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, records and audit requirements.

This document is attached to, and incorporated by reference, into the Grant Agreement.

MILESTONES

NTP Date	Grant Term on date indicated on the Notice to Proceed (NTP)
April 20, 2016 April 20, 2017	Progress Reports Due
April 20, 2018	Final Progress Report and Final Payment Request Due
April 20, 2018	Grant Term End

No extensions will be granted for submittal of Final Progress Report and final Payment Request. Failure to submit the Final Progress Report and final Payment Request with appropriate documentation by April 20, 2018 may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

GRANT MANAGEMENT SYSTEM (GMS)

GMS is CalRecycle's web-based grant application and grant management system. Access to GMS is secure; grantees must log in using a WebPass. WebPass accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new WebPass account to continue accessing GMS. Establish or manage a WebPass at [CalRecycle's WebPass page](https://secure.calrecycle.ca.gov/WebPass/) (<https://secure.calrecycle.ca.gov/WebPass/>).

Accessing the grant

Grantees must log into [GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>) using their web pass. After login, locate the grant in the **Associated Grant Applications** table and select the **Grant Management** link. The **Grant Management Module** includes the following sections:

- **Summary tab** – shows approved budget, paid and remaining amounts. (This section is available to the grantee in read-only mode.)
- **Payment Request tab** - requests reimbursement.
- **Reports tab**- uploads required reports.

- **Documents tab**– uploads other grant documents that are not considered supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.

Follow the instructions in GMS to work in the system. Use the information in the following sections to determine what reports, transactions, and supporting documents are required.

Contact Updates

Access to the grant is limited to the person who created the application and those listed in the **Contacts** tab of the **Application Module** with the access check box marked. A contact may be listed but not granted access by not checking the box. Please note, if a contact is granted access to a grant they will be able to edit contacts, submit payment requests, upload reports, and view all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding any changes to Signature Authority information.

PRIOR TO COMMENCING WORK

Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

Reliable Contractor Declaration

Prior to authorizing a contractor(s) to commence work under this grant, the grantee shall submit to the Grant Manager a declaration from the contractor(s), signed under penalty of perjury, stating that within the preceding three (3) years, none of the events listed in [Section 17050 of Title 14](#) (www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively.

If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate that contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from [CalRecycle's form web page](#) (www.calrecycle.ca.gov/Funding/Forms/default.htm).

A scanned copy of the signed Reliable Contractor Declaration form must be uploaded in GMS. To upload the form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Report Type**.
3. Click the **Add Document** button.
4. Select Reliable Contractor Declaration in the **Document Type** drop down box, enter a document title, click on the **Browse** button to search and upload the document, and then **Save**.
5. Click on the **Submit** button.

For further instructions regarding GMS, including login directions, see the section above titled Grant Management System.

GRANT TERM

The Grant Term begins on the date indicated in the Notice to Proceed. The Grant Term ends on April 20, 2018. This is also the date the Final Progress Report and final Payment Request are due to CalRecycle.

Grant-eligible program expenditures may start no earlier than the date indicated in the Notice to Proceed. Eligible program costs must be incurred no later than April 20, 2018.

CalRecycle recommends reserving the period from April 1, 2018 to April 20, 2018 exclusively for the preparation of the Final Progress Report and final Payment Request, though they may be completed earlier. **Costs incurred to prepare the Final Progress Report and final Payment Request are only eligible for reimbursement during the Grant Term.**

ELIGIBLE COSTS

All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. Eligible costs must be incurred, services provided and goods received after receiving a NTP and before the end of the Grant Performance Period.

Any proposed revision(s) to the Work Plan and/or Budget must be submitted in writing and pre-approved in writing by the Grant Manager prior to grantee incurring the proposed expenditure. The approval document should be retained by the grantee for audit purposes. See the Audit/Record Access clause of the Terms and Conditions (Exhibit A).

Eligible costs are limited to the following:

- Used oil/filter public education and outreach.
- Implementation or expansion of a used oil/filter collection program.
- Mitigation projects preventing used oil stormwater pollution.
- Certain costs associated with indirect costs as indicated in the Indirect Cost section of the Procedures and Requirements.

Stormwater mitigation is defined in Public Resources Code 48618.4 as "...the prevention of stormwater pollution from used oil and oil byproducts and the reduction or alleviation of the effect of stormwater pollution from used oil and oil byproducts by means of action taken on public property. Mitigation includes the installation of devices and implementation of practices that effectively prevent used oil and oil byproducts from causing stormwater pollution. Mitigation does not include the cleanup or restoration of polluted areas."

A local government shall not receive a payment for education or mitigation projects relating to used oil stormwater pollution unless the local government certifies that it has a stormwater management program that is approved by the appropriate California Regional Water Quality Control Board.

Eligible types of storm drain filters (inserts; debris screens) include, but are not limited to:

- A debris screen that covers the opening to the storm drain inlet: regular municipal street-sweeping must occur where debris screens are installed.
- A catch basin (street side) inlet insert that contains oil absorbent media.
- A catch basin inlet insert that contains oil absorbent media plus a debris screen that covers the opening to the storm drain inlet: (the debris screen prevents debris and sediment from entering the storm drain and obstructing the oil absorbent media).
- A vertical drop-in parking lot inlet insert that contains oil absorbent media (must be covered by a grate or debris screen).

Note: Periodic clean-out of catch basin inlet inserts and replacement of their oil-absorbent media are eligible for grant funding. However, street sweeping, parking lot cleaning, and clean-out of catch basin inlets without inserts are not eligible for grant funding.

INELIGIBLE COSTS

Any costs not specifically included in the approved Budget, not directly related to used oil/filter related activities, or not approved for the grant project are ineligible for reimbursement. Contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Costs incurred prior to receipt of the Notice to Proceed or after April 20, 2018.
- Cell phones, smart phones, cameras, personal computers, tablets, and other electronic devices unless such device(s): (1) are specifically needed for the grant project; (2) are not available within the Grantee's existing inventory; and (3) will be used exclusively for the grant project, and not for other departmental uses.
- Costs related to computer applications or software.
- Costs related to smart device (phone/tablet) app development and maintenance
- Purchase or lease of vehicle(s) by non-government entities.
- Developing or customizing school curricula.
- Any food or beverages (e.g., as part of meetings, workshops or events).
- Honoraria, stipends, prizes, royalties, etc.
- Indirect costs in excess of the allowable percentage as defined in the Procedures and Requirements (Exhibit B).
- Pre-paid expenditures for future goods or services delivered beyond the end of the Grant Term.
- Remediation (any cleanup or restoration of polluted areas).
- Developing or expanding a permanent facility to add a used oil/filter collection component on non-government owned property.
- Equipment or services, personnel costs, and public education and outreach not related to the project.
- Purchase or lease of land.
- Travel costs exceeding the state-approved rates for mileage, per diem, lodging, etc.
- Promotion of either brand-name product(s) or private businesses with grant funds.

- Fine or penalties due to violation of federal, state, or local laws, ordinances, or regulations.
Costs deemed unreasonable or not related to the grant project by the Grant Manager.

INDIRECT COSTS

Indirect costs can be claimed by the Grantee. The following guidelines must be used when claiming these costs.

- The total of indirect costs charged to the grant shall not exceed 10 percent of the grant funds reimbursed. These costs are expenditures not capable of being assigned or not readily itemized to a particular project or activity, but considered necessary for the operation of the organization and the performance of the program. The costs of operating and maintaining facilities, accounting services, and administrative salaries are examples of overhead and indirect costs. All overhead and indirect costs charged to the grant must be associated with grant activities as shown in the approved Budget.
- Direct costs charged directly to the grant shall not be included in the overhead/indirect cost formula. Supervision performed by managers and supervisors can be included in the overhead/indirect cost formula, and therefore, will not be a direct charge to the grant. On the other hand, if a manager or supervisor performs an activity that is directly related to the execution of the grant (not supervision), costs associated with this activity may be included as a direct charge. Such activity must be clearly supported by appropriate documentation and shall not be charged to the grant as overhead or indirect cost.
- The Grantee must maintain organized and accurate records that follow generally accepted accounting principles and leave an audit trail. The Grantee must provide access to all documents related to the grant program and fiscal operation of the grant program as required by law and the Audit/Records Access clause of the Terms and Conditions (Exhibit A).

If you are uncertain whether a given cost is considered an overhead/indirect cost, contact the Grant Manager.

ACKNOWLEDGEMENTS: The grantee shall acknowledge CalRecycle’s support each time projects funded, in whole or in part, by this Agreement are publicized in any medium, including news media, brochures, or other types of promotional materials. The acknowledgement of CalRecycle’s support must incorporate the CalRecycle logo and “Funded by a grant from CalRecycle” language. Initials or abbreviations for CalRecycle shall not be used. The Grant Manager may approve deviation from this requirement on a case-by-case.

GRAPHICS

Graphics are available at: www.calrecycle.ca.gov/usedOil/graphics/. A CalRecycle sticker (bumper sticker size) that displays the statement: “This equipment paid for with a Grant from CalRecycle” is required to be affixed to all large pieces of equipment purchased with grant funds. When submitting the Final Report, a photograph of this equipment should include the affixed sticker.

RETENTION OF PUBLIC EDUCATION MATERIALS

Grantees are required to retain samples of all publicity and education materials for three years AFTER the close of the Grant Term, or a longer period if warranted to resolve any issues with this grant. (See the Audit/Records Access clause and the Copyrights clause of the Terms and Conditions (Exhibit A).)

REPORTING REQUIREMENTS

Two Progress Reports and a Final Progress Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the grant term.

All reports must be uploaded in GMS. *For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.*

To select a report form:

1. Go to the **Summary** tab.
2. From the **Resource Documents** section download the appropriate report form (Progress or Final).
3. Complete the report, save and upload the report in the **Reports** tab.

To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
 - You may upload multiple documents to complete reporting requirements.
 - The maximum allowable file size is 35MB.
5. Click the **Submit** button when the report is complete.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Manager.

PROGRESS REPORT

The grantee must submit **Progress Reports** by **April 20, 2016 and April 20, 2017**.

The first progress report should cover grant activities that occurred from the NTP date through **April 20, 2016**, and the second from **April 21, 2016** through **April 20, 2017**.

Use the Progress Report template provided under Resources Links under Summary tab of the grant.

FINAL PROGRESS REPORT

The Final Progress Report is due **April 20, 2018**. This report should cover grant activities **from the NTP** through **April 20, 2018**. Use the Final Report template provided under Resources Links under Summary tab of the grant.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only and for those materials and services specified in the approved grant application.
2. Reimbursement may be requested as often as monthly during the grant term.
3. The grantee must submit a completed Grant Payment Request and provide supporting documentation(s) as described in the "Payment Request and Documentation" section for completed parts of the project(s) only.
4. Grant payments will only be made to the grantee. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
5. Ten percent of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and/or Final Progress Report, have been satisfied. Reimbursement of the ten percent retention must be requested in the final Grant Payment Request.
6. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.

PAYMENT REQUEST AND DOCUMENTATION

Payment requests must be submitted in GMS. *For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.*

To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
 - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
 - When the transaction is complete, click the **Save** button.
 - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click the **Upload Supporting Documentation** button.
 - Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
 - Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
 - The maximum allowable file size for each document is 35MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

Supporting Documentation

- A. A scanned copy of the **Grant Payment Request form**. Mail only the **original** Grant Payment Request form (CalRecycle 87), with the original signature of the signatory or his/her designee*, as authorized by grantee's Resolution or Letter of Commitment to:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery UOC Grant Program FiRM Branch, 9 th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery UOC Grant Program FiRM Branch, 9 th Floor 1001 I Street Sacramento, CA 95814

*A designee may sign on behalf of the grantee if a) authorized by the Resolution or Letter of Commitment, and b) a Letter of Designation has been provided to the Grant Manager.

B. Expenditure Itemization Summary (EIS) (CalRecycle 667) – All expenditures must be itemized and arranged by the reporting and expenditure categories as contained in the Grantee’s approved Budget and Work Plan.

Pertinent documentation must be submitted with the EIS to substantiate all expenses claimed on the EIS. For audit purposes, the Grantee should retain this documentation for a minimum of three (3) years after the end of the grant term. (See the Audit/Records Access clause in the Terms and Conditions, (Exhibit A).) Types of acceptable documentation include, but are not limited to:

a) **Cost and Payment Documentation**

- **Invoices.** Invoices must include the vendor’s name, vendor’s telephone number, address, description of goods or services purchased, amount due, and date. If there is more than one invoice from a vendor, list them separately on the EIS and include invoice numbers. The claimed expenses should be highlighted and identified with applicable task number on each invoice.
- **Receipts.** Receipts should include the same information as invoices (see above).
- **Purchase orders with proof of payment.** Purchase orders should include the same information as invoices and receipts, and must be accompanied by proof of payment (e.g., copies of cancelled checks).

b) **Personnel Expenditure Summary Form (CalRecycle 165 or Grantee’s version).** Document personnel expenditures based on actual time spent on grant activities and actual amounts paid to personnel (these forms are not required if you have an alternate time reporting method pre-approved by your Grant Manager).

c) **Travel Expense Form (CalRecycle 246 or Grantee’s version).** Document costs related to travel and include supporting documentation.

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms/) (<http://www.calrecycle.ca.gov/Funding/Forms/>).

AUDIT CONSIDERATIONS

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or grant term end date, whichever is later. A longer period of records

retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.